

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
FINANCE DEPARTMENT**

TIME CERTAIN
ITEM NO. 4
B, C
1:30PM

TO: Mayor and City Council

FROM: Milo Nitschke, Director, Finance Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer, Assistant City Manager; City Attorney's Office; City Clerk; File

SUBJECT: Authorizing the Issuance, Sale and Delivery of City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-A and City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-B (AMT)

DATE: March 20, 2003

SUMMARY AND RECOMMENDATIONS

- A. This Ordinance authorizes the issuance, sale, and delivery of approximately \$8,330,000 City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-A; approves and authorizes instruments and procedures relating thereto; and provides for an immediate effective date.
- B. This Ordinance authorizes the issuance, sale, and delivery of approximately \$3,285,000 City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-B; approves and authorizes instruments and procedures relating thereto; and provides for an immediate effective date.

Staff recommends approval of these Ordinances.

BACKGROUND INFORMATION

On March 6, 2003, City Council approved the form, content and distribution of a Preliminary Official Statement pertaining to the issuance, sale and delivery of approximately \$8,330,000 City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-A (the "2003-A Bonds") and approximately \$3,285,000 City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-B (the "2003-B Bonds"). The 2003-A Bonds are being issued to refund approximately \$7,955,000 Series 1992 Airport System Revenue Refunding Bonds. Our analysis shows that this refunding generates \$284,321 in gross savings and \$277,252 or 3.33% in present value savings. The 2003B Bonds are being issued to refund \$3,130,000 Series 1992 (Alternative Minimum Tax) Airport System Revenue Refunding Bonds. Our analysis shows that this refunding generates \$264,496 in gross savings and \$252,901 or 7.70% in present value savings.

In connection with the issuance and sale of the bonds, presentations were made to Moody's, Standard & Poor's and Fitch, on March 3 and 4, 2003. The ratings are anticipated to be received the week of March 10, 2003.

It is anticipated that the 2003-A Bonds and 2003-B Bonds will be sold the week of March 17, 2003 by an underwriting syndicate including Morgan Stanley as Senior Book Running Manager; Salomon Smith Barney, as Co-Senior Manager; and RBC Dain Rauscher, Siebert Brandford Shank & Co., A.G. Edwards & Sons, Inc., Southwest Securities and Southwestern Capital Markets, Inc. as Co-Managers.

The final results of the pricing and sale will be detailed in a memorandum which will be provided on Thursday, March 20, 2003.

POLICY ANALYSIS

The aforementioned transactions are consistent with the Airport Master Plan.

FISCAL IMPACT

Any costs pertaining to the proposed bond transactions will be paid from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

SUPPLEMENTAL COMMENTS

The disclosures required by the City's Ethics Ordinance for each of the underwriting firms are attached.

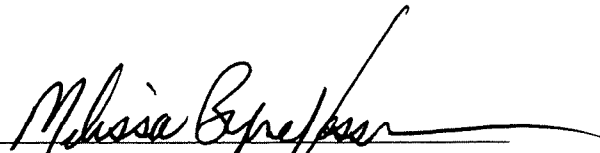
COORDINATION

This action was coordinated with the City Manager's Office, City Attorney's Office, the Departments of Finance, Aviation, the Office of Management and Budget, the City's Underwriting Syndicate, Co-Financial Advisors and Bond Counsel.



Milo D. Nitschke
Director, Finance Department

Approved:



Melissa Byrne Vossmer
Assistant City Manager



Terry M. Brechtel
City Manager

City of San Antonio Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

Morgan Stanley & Co.

- (2) the identity of any business entity that would be a party to the discretionary contract:

Morgan Stanley & Co. and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract;

There are none to report.

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

Please see the next 10 pages for a list of Morgan Stanley & Co. subsidiaries.

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

There are none to report.

MORGAN STANLEY DEAN WITTER & CO.^{1,2}

Subsidiaries

As on March 1, 2000

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc/ Form.</u>
Dean Witter Alliance Capital Corporation	Delaware	1993
Dean Witter Asset Corporation	Delaware	1992
Dean Witter Capital Corporation	Delaware	1987
Dean Witter Advisers Inc.	Delaware	1989
Dean Witter Capital Advisers Inc.	Delaware	1989
DW Administrators Inc.	Delaware	1989
DW Window Coverings Holding, Inc.	Delaware	1988
Dean Witter Futures and Currency Management Inc.	Delaware	1987
Dean Witter Realty Inc.	Delaware	1982
Dean Witter Global Realty Inc.	Delaware	1995
Dean Witter Holding Corporation	Delaware	1983
Civic Center Leasing Corporation	Delaware	1983
Lee Leasing Corporation	Delaware	1982
Lewiston Leasing Corporation	Delaware	1983
Sartell Leasing Corporation	Delaware	1982
Dean Witter Leasing Corporation	Delaware	1982
Dean Witter Realty Credit Corporation	Delaware	1982
Dean Witter Realty Fourth Income Properties Inc.	Delaware	1986
Dean Witter Realty Growth Properties Inc.	Delaware	1985
Dean Witter Realty Income Associates I Inc.	Delaware	1983
Dean Witter Realty Income Associates II Inc.	Delaware	1984
Dean Witter Realty Income Properties I Inc.	Delaware	1983
Dean Witter Realty Income Properties II Inc.	Delaware	1984
Dean Witter Realty Income Properties III Inc.	Delaware	1985
Dean Witter Realty Yield Plus Assignor Inc.	Delaware	1987
Dean Witter Realty Yield Plus Inc.	Delaware	1987
Dean Witter Realty Yield Plus II Inc.	Delaware	1988
DW Arboretum Plaza Inc.	Delaware	1992
DW Bennington Property Inc.	Delaware	1993
DW Chesterbrook Investors Inc.	Delaware	1992
DW Duportail Investors Inc.	Delaware	1992
DW Greycoat Inc.	Delaware	1993
Green Orchard Inc.	Massachusetts	1991
LLJV Funding Corporation	Massachusetts	1984
Realty Management Services Inc.	Delaware	1982
Dean Witter Reynolds Inc.	Delaware	1968
Dean Witter Reynolds Insurance Agency (Massachusetts) Inc.	Massachusetts	1975
Dean Witter Reynolds Insurance Agency (Ohio) Inc.	Ohio	1977
Dean Witter Reynolds Insurance Agency (Oklahoma) Inc.	Oklahoma	1976
Dean Witter Reynolds Insurance Agency (Texas) Inc.	Texas	1978
Dean Witter Reynolds Insurance Services (Alabama) Inc.	Alabama	1991
Dean Witter Reynolds Insurance Services (Arkansas) Inc.	Arkansas	1977
Dean Witter Reynolds Insurance Services (Illinois) Inc.	Illinois	1975
Dean Witter Reynolds Insurance Services, Inc. (Puerto Rico)	Puerto Rico	1987
Dean Witter Reynolds Insurance Services (Maine) Inc.	Maine	1995
Dean Witter Reynolds Insurance Services (Montana) Inc.	Montana	1977
Dean Witter Reynolds Insurance Services (New Hampshire) Inc.	New Hampshire	1977

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc/ Form.</u>
<i>(Dean Witter Reynolds Inc., continued)</i>		
Dean Witter Reynolds Insurance Services (South Dakota) Inc.	South Dakota	1977
Dean Witter Reynolds Insurance Services (Wyoming) Inc.	Wyoming	1977
DWR Special Partners Inc.	Delaware	1982
Morgan Stanley Dean Witter Insurance Services (Arizona) Inc.	Arizona	1974
Morgan Stanley Dean Witter Insurance Services Inc.	Delaware	1972
Dean Witter Reynolds Insurance Agency (Indiana) Inc.	Indiana	1975
FD Insurance Services, Inc.	Delaware	1997
FD Insurance Services of Nevada, Inc.	Nevada	1997
FD Insurance Services of New Mexico, Inc.	New Mexico	1997
FD Insurance Services of Texas, Inc.	Texas	1997
Dean Witter Reynolds Partners Inc.	Delaware	1982
Dean Witter Reynolds Venture Equities Inc.	Delaware	1981
Dean Witter Venture Management Inc.	Delaware	1986
Dean Witter Venture Inc.	Delaware	1993
Demeter Management Corporation	Delaware	1977
DWD Electronic Financial Services Inc.	Delaware	1997
Morgan Stanley Dean Witter Online Inc.	California	1992
Bay One Technologies Group, Inc.	California	1996
DWR Partnership Administrators Inc.	Delaware	1989
Early Adopter Fund Manager Inc.	Delaware	1999
Jolter Investments Inc.	Delaware	1989
Morgan Rundle Inc.	Delaware	1978
MR Ventures Inc.	Delaware	1982
Morgan Stanley & Co. Incorporated	Delaware	1969
Graystone Wealth Management Services LLC	Delaware	1999
Morgan Stanley Flexible Agreements Inc.	Delaware	1992
MS Securities Services Inc.	Delaware	1981
Prime Dealer Services Corp.	Delaware	1994
Morgan Stanley ABS Capital I Inc.	Delaware	1997
Morgan Stanley ABS Capital II Inc.	Delaware	1997
Morgan Stanley Advisory Partnership Inc.	Delaware	1985
Morgan Stanley Asset Funding Inc.	Delaware	1997
Morgan Stanley Baseball, Inc.	Delaware	1989
Morgan Stanley Capital Group Inc.	Delaware	1984
South Eastern Electric Development Corporation	Delaware	1998
South Eastern Energy Corporation	Delaware	1999
South Eastern Generating Corporation	Delaware	2000
Morgan Stanley Capital International Inc. *	Delaware	1998
Morgan Stanley Capital International S.A.	Switzerland	1998
Morgan Stanley Capital (Jersey) Limited	Jersey, Channel Is.	1987
Morgan Stanley Capital Partners III, Inc.	Delaware	1993
Morgan Stanley Capital Services Inc.	Delaware	1985
Morgan Stanley Commercial Mortgage Capital, Inc.	Delaware	1994
Morgan Stanley Credit Products Ltd.	Cayman Islands	1998
Morgan Stanley Dean Witter Advisors Inc.	Delaware	1992
Morgan Stanley Dean Witter Services Company Inc.	Delaware	1994
Morgan Stanley Dean Witter Capital I Inc.	Delaware	1985
Morgan Stanley Dean Witter Commercial Financial Services, Inc.	Delaware	2000
Morgan Stanley Dean Witter Commodities Management Inc.	Delaware	1992
Morgan Stanley Dean Witter Distributors Inc.	Delaware	1992
Morgan Stanley Dean Witter Equity Funding, Inc.	Delaware	1998

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc/ Form</u>
Morgan Stanley Dean Witter HK RAV IV, LLC	Delaware	1999
Morgan Stanley Dean Witter International Incorporated	Delaware	1978
Dean Witter Reynolds GmbH	Germany	1974
Dean Witter Reynolds (Hong Kong) Limited	Hong Kong	1979
Dean Witter Reynolds International, Inc.	Panama	1959
Dean Witter Reynolds (Geneva) S.A.	Switzerland	1991
Dean Witter International Ltd.	England	1988
Dean Witter Capital Markets International Ltd. (U.K.)	England	1987
Dean Witter Futures Limited	England	1977
Dean Witter Reynolds Limited	England	1968
Dean Witter Reynolds International, S.A.	France	1979
Dean Witter Reynolds (Lausanne) S.A.	Switzerland	1973
Dean Witter Reynolds (Lugano) S.A.	Switzerland	1989
Dean Witter Reynolds S.p.A.	Italy	1978
Morgan Stanley Dean Witter Trust Company (Cayman) Ltd.	Cayman Islands	1998
Morgan Stanley Dean Witter Nominees Limited	Cayman Islands	1999
Tate Limited	Cayman Islands	1999
Morgan Stanley Dean Witter Investment Group Inc.	Delaware	1999
Morgan Stanley Dean Witter Investment Management Inc.	Delaware	1980
Morgan Stanley Dean Witter Global Franchise Inc.	Delaware	1997
Morgan Stanley Dean Witter Investment Management Holdings Inc.	Delaware	1995
Miller Anderson & Sherrerd, LLP	Pennsylvania	1971
MAS Fixed Income Partnership I, L.P.	Delaware	1995
MAS Fixed Income I, LLC	Delaware	1995
MAS Fixed Income Partnership II, LP	Delaware	1995
MAS Fixed Income II, LLC	Delaware	1995
MAS Fund Distribution, Inc.	Pennsylvania	1992
Morgan Stanley Dean Witter Municipal Funding, Inc.	Delaware	1998
Morgan Stanley Dean Witter Principal Funding, Inc.	Delaware	1998
Morgan Stanley Dean Witter Trust FSB	Federal Charter	1996
Morgan Stanley Dean Witter Wealth Management, Inc.	Delaware	1998
Morgan Stanley Derivative Products Inc.	Delaware	1994
Morgan Stanley Developing Country Debt II, Inc.	Delaware	1991
Morgan Stanley Emerging Markets Inc.	Delaware	1990
Morgan Stanley Equity (C.I.) Limited	Jersey, Channel Is.	1995
Morgan Stanley Equity Finance Limited	England	1997
Morgan Stanley Equity Investors Inc.	Delaware	1988
Morgan Stanley Finance (Jersey) Limited	Jersey, Channel Is.	1990
Morgan Stanley Funding, Inc.	Delaware	1997
Morgan Stanley Global Emerging Markets, Inc.	Delaware	1996
Morgan Stanley Insurance Agency Inc.	Delaware	1985
Morgan Stanley International Incorporated	Delaware	1963
AB Asesores Morgan Stanley Dean Witter, S.V., S. A.	Spain	1999
AB Asesores Alicante, S.A.	Spain	1996
AB Asesores Baleares, S.A. *	Spain	1997
AB Asesores Bursatiles Aragon, S.A. *	Spain	1988
AB Asesores Bursatiles Cordoba, S.A. *	Spain	1992
AB Asesores Bursatiles Murcia, S.A. *	Spain	1993
AB Asesores Bursatiles Sur, S.A. *	Spain	1989
AB Asesores Ceuta, S.L. *	Spain	1998
AB Asesores Castilla, S.A. *	Spain	1996
AB Asesores CFMB Almeria, S.A. *	Spain	1998

*(Morgan Stanley International Incorporated, continued)**(AB Asesores Morgan Stanley Dean Witter, S.V., S. A., continued)*

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
AB Asesores Girona, S.A.	Spain	1996
AB Asesores Gran Canaria, S.A.	Spain	1995
AB Asesores León, S.A.	Spain	1994
AB Asesores Tenerife, S.A.	Spain	1996
AB Asesores Gestion Fondos, SGHIC, S.A.	Spain	1987
AB Asesores Gestión Pensiones EGFP, S.A.	Spain	1992
AB Asesores Wellesley, S.A.	Spain	1998
Inversiones Tosas, S.A.	Spain	1987
Bank Morgan Stanley AG	Switzerland	1973
Cabot Aircraft Services Limited	Ireland	1997
Morgan Stanley AB	Sweden	1999
Morgan Stanley AOZT	Russia	1994
Morgan Stanley Asia Holdings I Inc.	Delaware	1990
Morgan Stanley Asia Holdings II Inc.	Delaware	1990
Morgan Stanley Asia Holdings III Inc.	Delaware	1990
Morgan Stanley Asia Holdings IV Inc.	Delaware	1990
Morgan Stanley Asia Holdings V Inc.	Delaware	1990
Morgan Stanley Asia Holdings VI Inc.	Delaware	1990
Morgan Stanley Asia Pacific (Holdings) Limited	Cayman Islands	1995
Fosbury Investments Cooperatieve U.A.	The Netherlands	1998
Morgan Stanley Asia Regional (Holdings) II LLC	Cayman Islands	1995
Morgan Stanley Asia Regional (Holdings) III LLC	Cayman Islands	1995
Morgan Stanley Dean Witter (Singapore) Holdings Pte Ltd	Rep. of Singapore	1999
Morgan Stanley Dean Witter Asia (Singapore) Pte	Rep. of Singapore	1992
Morgan Stanley Dean Witter Capital Group (Singapore) Pte	Rep. of Singapore	1990
Morgan Stanley Dean Witter Futures (Singapore) Pte	Rep. of Singapore	1992
Morgan Stanley Dean Witter Private Equity (Asia) Pte Ltd	Rep. of Singapore	1999
Morgan Stanley Dean Witter Investment Management Company	Rep. of Singapore	1990
Morgan Stanley Asia Regional (Holdings) IV LLC	Cayman Islands	1995
Morgan Stanley Dean Witter (Hong Kong) Holdings	Hong Kong	1998
MSDW Asia Securities Products LLC	Cayman Islands	1995
Morgan Stanley Dean Witter Asia Limited	Hong Kong	1984
Morgan Stanley Dean Witter Futures (Hong Kong) Limited	Hong Kong	1988
Morgan Stanley Dean Witter Hong Kong Securities Limited	Hong Kong	1988
Morgan Stanley Dean Witter Pacific Limited	Hong Kong	1987
MSDW-JL Holdings I Limited	Cayman Islands	1998
Morgan Stanley Japan (Holdings) Ltd.	Cayman Islands	1984
Morgan Stanley Japan Limited	Hong Kong	1993
Morgan Stanley Dean Witter Japan Group, Ltd.	Cayman Islands	2000
Morgan Stanley Dean Witter Nippon Securities, Ltd.	Cayman Islands	2000
Morgan Stanley Dean Witter Japan Limited	Cayman Islands	1999
Morgan Stanley Asset & Investment Trust Management Co., Limited	Japan	1987
Morgan Stanley Asset Management S.A.	Luxembourg	1988
Morgan Stanley Canada Limited	Canada	1982
Morgan Stanley Capital SA	France	1989
Morgan Stanley Capital (Luxembourg) S.A.	Luxembourg	1993
Morgan Stanley Dean Witter Asia (China) Limited	Hong Kong	1991
Morgan Stanley Dean Witter Asia (Taiwan) Ltd.	Rep. of China	1990
Morgan Stanley Dean Witter Australia Limited	Australia	1989
Morgan Stanley Dean Witter Australia Finance Limited	Australia	1999

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
<i>(Morgan Stanley International Incorporated, continued)</i>		
Morgan Stanley Dean Witter Australia Securities Limited	Australia	1997
Morgan Stanley Dean Witter Australia Securities (Nominee) Pty Limited	Australia	1999
Morgan Stanley Dean Witter (España) SA	Spain	1998
Morgan Stanley Dean Witter (Europe) Limited	England	1998
Morgan Stanley Dean Witter Financial Holdings, LLC	Delaware	1999
Morgan Stanley Dean Witter Hong Kong Finance Limited	Hong Kong	1999
Morgan Stanley Dean Witter Fixed Income Limited	Jersey, Channel Is.	1999
Narib Limited	Jersey, Channel Is.	1999
Willow Capital Limited	Jersey, Channel Is.	1999
Morgan Stanley Dean Witter UK Capital Limited	England	1999
Morgan Stanley Funding Limited	Jersey, Channel Is.	1997
Morgan Stanley Funding II Limited	Jersey, Channel Is.	1999
Morgan Stanley Group (Europe)	England	1988
Delta AB 1 General Partner Limited	England	1996
Morgan Stanley Capital Group Limited	England	1993
Morgan Stanley Dean Witter Bank Limited	England	1999
Morgan Stanley Dean Witter Card Services Limited	England	1999
Morgan Stanley Dean Witter Investment Management Limited	England	1986
Morgan Stanley Dean Witter Trustee Limited	England	1999
Morgan Stanley (Europe) Limited	England	1993
Morgan Stanley Finance plc	England	1993
MSDW Corporate Holdings Limited	England	2000
MSDW Corporate Holdings I Limited	Jersey, Channel Is.	1999
Sunningdale Investments Cooperative UA	The Netherlands	1999
MSDW Corporate Holdings II Limited	Jersey, Channel Is.	1999
Woburn Investments Cooperative UA	The Netherlands	1999
Morgan Stanley Property Management (UK) Limited	England	1987
Morgan Stanley Services (UK) Limited	England	1993
Morgan Stanley (Structured Products) Jersey Limited	Jersey, Channel Is.	1994
Morgan Stanley UK Group	England	1976
Morgan Stanley & Co. International Limited	England	1986
Morgan Stanley International Nominees Limited	England	1994
Morgan Stanley & Co. Limited	England	1986
Morgan Stanley Securities Limited	England	1986
Morstan Nominees Limited	England	1986
MSDW Equity (UK) Plc	England	1998
MS Leasing UK Limited	England	1991
Morgan Stanley Dean Witter Hong Kong Nominees Limited	Hong Kong	1988
Morgan Stanley Dean Witter Mauritius Company Limited	Mauritius	1993
Morgan Stanley Dean Witter Investment Management Private Limited	India	1993
Morgan Stanley India Securities Limited	India	1995
JM Morgan Stanley Securities Limited *	India	1998
Morgan Stanley Dean Witter (Thailand) Limited	Thailand	1997
Morgan Stanley Holding (Deutschland) GmbH	Germany	1990
Morgan Stanley Bank AG	Germany	1986
Morgan Stanley International Insurance Ltd.	Bermuda	1995
Morgan Stanley Latin America Incorporated	Delaware	1994
Morgan Stanley Administradora de Carteiras S.A.	Brazil	1996
Morgan Stanley Dean Witter do Brasil Ltda.	Brazil	1995
Morgan Stanley Dean Witter Distribuidora de Títulos e Valores Mobiliários SA	Brazil	1998
Morgan Stanley Financial Products Ltd.	Cayman Islands	1997

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
<i>(Morgan Stanley International Incorporated, continued)</i>		
<i>(Morgan Stanley Financial Products Ltd, continued.)</i>		
MSLA Advisors Incorporated	Delaware	1995
Morgan Stanley Middle East Inc.	Delaware	1997
Morgan Stanley Mortgage Servicing Ltd.	England	1997
Morgan Stanley Offshore Investment Company Ltd.	Cayman Islands	1987
Morgan Stanley S.A.	France	1992
Morgan Stanley Dean Witter (France) SA	France	1998
Morgan Stanley Services (Jersey) Limited	Jersey, Channel Is.	1997
Morgan Stanley South Africa (Pty) Limited	South Africa	1994
Morgan Stanley SPV I (Cayman Islands) LLC	Cayman Islands	1996
Farlington Corporation	Ireland	1996
ITALSEC S.r.l.	Italy	1996
Morgan Stanley SPV II (Cayman Islands) LLC	Cayman Islands	1996
Morgan Stanley Trading Beteiligungs-GmbH	Germany	1993
Morgan Stanley Trading GmbH & Co. KG	Germany	1994
Morgan Stanley Wertpapiere GmbH	Germany	1989
MS Italy (Holdings) Inc.	Delaware	1990
Banca Morgan Stanley SpA	Italy	1990
MS LDC, Ltd.	Delaware	1991
MSDW Capital Investments Inc.	Delaware	1999
MSAM/Kokusai (Cayman Islands), Inc.	Cayman Islands	1996
MSAM/Kokusai II (Cayman Islands), Inc.	Cayman Islands	1997
MSDW Investment Holdings Limited	Cayman Islands	1999
Cabot 2 Limited	England	1978
MS Cabot Inc.	Delaware	1995
MSDW Investment Holdings (US) Inc.	Delaware	1999
MSDW Investment Holdings (UK) Ltd.	England	1999
Cabot 1 Limited	England	1983
Applied Risc Technologies Limited	England	1995
Cabot 7 Limited	England	1994
Cabot 3 Limited	England	1982
Cabot 4 Limited	England	1997
Cabot 5 Limited	England	1980
Cabot 6 Limited	England	1983
Education Online Limited	England	1982
Euro-Risc Limited	England	1983
Orbis Computers Limited	England	1979
MSL Incorporated	Delaware	1976
Providence Cayman Products Limited	Cayman Islands	2000
Providence DE LLC	Delaware	2000
Providence Canada Co.	Canada	2000
Providence Cayman Investments Co. *	Cayman Islands	2000
Providence DE Investments Co.	Delaware	2000
Morgan Stanley (Jersey) Limited	Jersey, Channel Is.	1986
Morgan Stanley LEF I, Inc.	Delaware	1989
Morgan Stanley Leveraged Capital Fund Inc.	Delaware	1985
Morgan Stanley Leveraged Equity Fund II, Inc.	Delaware	1987
Morgan Stanley Dean Witter Private Equity Asia Limited	Hong Kong	1992
Morgan Stanley Leveraged Equity Holdings Inc.	Delaware	1987
Morgan Stanley Market Products Inc.	Delaware	1987
Morgan Stanley Mortgage Capital Inc.	New York	1984

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
Morgan Stanley Overseas Finance Ltd.	Cayman Islands	1997
Morgan Stanley Overseas Services (Jersey) Limited	Jersey, Channel Is.	1986
Morgan Stanley Real Estate Investment Management Inc.	Delaware	1990
Morgan Stanley Real Estate Fund, Inc.	Delaware	1989
MSREF I, L.L.C.	Delaware	1995
MSREF I-CO, L.L.C.	Delaware	1995
Morgan Stanley Real Estate Investment Management II, Inc.	Delaware	1994
MSREF II-CO, L.L.C.	Delaware	1995
Morgan Stanley Realty Incorporated	Delaware	1969
BH-MS Realty Inc.	Delaware	1983
BH-MS Leasing Inc.	Delaware	1983
BH-Sartell Inc.	Delaware	1983
Brooks Harvey & Co., Inc.	Delaware	1971
Japan Realty Finance Company	Cayman Islands	1998
Kearny Global, Inc.	Delaware	1998
Corzo Venezia S.R.L.	Italy	1999
Kearny Germany GmbH	Germany	1999
Kearny Real Estate Company	Delaware	1998
Kearny Global Investors, K.K.	Japan	1998
Lombard Servicing Inc.	Japan	1999
Morgan Stanley Realty of California Inc.	California	1970
Morgan Stanley Realty of Illinois Inc.	Delaware	1989
Morgan Stanley Realty Japan Ltd.	Japan	1998
MSDW Canary Wharf, L.L.C.	Delaware	1999
Tokyo Realty Investment Company	Cayman Islands	1998
The Morgan Stanley Scholarship Fund Inc. (Not-For-Profit)	Delaware	1985
Morgan Stanley Securitization Funding Inc.	Delaware	1998
Morgan Stanley Senior Funding, Inc.	Delaware	1996
Morgan Stanley Services Inc.	Delaware	1988
Morgan Stanley Structured Products (Cayman) I Limited	Cayman Islands	1997
Morgan Stanley Structured Products (Cayman) II Limited	Cayman Islands	1997
Morgan Stanley Technical Services Inc.	Delaware	1989
Morgan Stanley Technical Services MB/VC Inc.	Delaware	1993
Morgan Stanley Venture Capital Inc.	Delaware	1984
Morgan Stanley Venture Capital II, Inc.	Delaware	1992
Morgan Stanley Venture Capital III, Inc.	Delaware	1996
Morgan Stanley Ventures Inc.	Delaware	1984
Morstan Development Company, Inc.	Delaware	1971
Moranta, Inc.	Georgia	1979
Porstan Development Company, Inc.	Oregon	1982
MS 10020, Inc.	Delaware	1994
MS 10036, Inc.	Delaware	1996
MS Capital Cayman Ltd.	Cayman Islands	1997
MS Capital Holdings Inc.	Delaware	1997
Morgan Stanley Capital (Delaware) L.L.C.	Delaware	1997
MS Financing Inc.	Delaware	1986
G.H.Y. Capital II B.V.	The Netherlands	1999
Corso Marconi Immobiliare Limited Liability Company	Delaware	1998
Corso Marconi Immobiliare S.à.r.l. -	Luxembourg	1998
Octavian S.à.r.l.	Luxembourg	1999
Luxco France S.à.r.l.	Luxembourg	1999
Luxco Germany S.à.r.l.	Luxembourg	1999

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
<i>(MS Financing Inc., continued)</i>		
<i>(Corso Marconi Immobiliare Limited Liability Company, continued)</i>		
<i>(Octavian S.à.r.l., continued)</i>		
<i>(Luxco Germany S.à.r.l., continued)</i>		
Alfa Romeo Vertriebsgesellschaft mbH *	Germany	1969
Goliath 89.Beteiligungs-Und Verwaltungsgesellschaft mbH	Germany	1999
Luxco Spain S.à.r.l.	Luxembourg	1999
Luxco UK S.à.r.l.	Luxembourg	1999
Inmap 2000 (U.K.) Limited	England	1996
Saigarage Genova SpA	Italy	1992
Corso Marconi Immobiliare 2 Limited Liability Company	Delaware	1999
Morgan Stanley 750 Building Corp.	Delaware	1994
G.H.Y. Capital B.V.	The Netherlands	1998
MS Tokyo Properties Ltd.	Japan	1989
MSDW LTCP, L.L.C.	Delaware	1998
MSDW 745, LLC	Delaware	1998
MS Holdings Incorporated	Delaware	1995
MS Real Estate Special Situations Inc.	Delaware	1997
MS Real Estate Special Situations GP Inc.	Delaware	1997
MS Synfuels, Inc.	Delaware	1998
MS Technology Holdings, Inc.	Delaware	1997
MS Venture Capital (Japan) Inc.	Delaware	1989
MSAM Holdings II, Inc.	Delaware	1996
Van Kampen Investments Inc.	Delaware	1992
American Capital Contractual Services, Inc.	New York	1957
Riverview International Inc.	Delaware	1998
Van Kampen Advisors Inc.	Delaware	1974
Van Kampen Asset Management Inc.	Delaware	1936
Van Kampen Funds Inc.	Delaware	1974
Van Kampen Exchange Corp.	California	1975
Van Kampen Insurance Agency of Illinois Inc.	Illinois	1996
Van Kampen Insurance Agency of Texas Inc.	Texas	1996
Van Kampen Investment Advisory Corp.	Delaware	1982
Van Kampen Investor Services Inc.	Delaware	1987
Van Kampen Management Inc.	Delaware	1990
Van Kampen Recordkeeping Services Inc.	Delaware	1997
Van Kampen System Inc.	Delaware	1996
Van Kampen Trust Co.	Texas	1986
VKAC Cayman Limited	Cayman Islands	1995
MSBF Inc.	Delaware	1995
MSCP III Holdings, Inc.	Delaware	1994
MSDW Capital Partners IV, Inc.	Delaware	1998
MSDW Capital Trust I	Delaware	1998
MSDW CPIV Holdings, Inc.	Delaware	1998
MSDW European Real Estate Special Situations Inc.	Delaware	1999
MSDW International Employee Services LLC	Delaware	1998
MSDW Offshore Equity Services Inc.	Delaware	1998
JJ&J Investments Limited	Cayman Islands	1999
MSDW May PERC I Limited	Cayman Islands	1999
MSDW Equity Finance Services I (Cayman) Ltd.	Cayman Islands	1998
MSDW Equity Investments Limited	Cayman Islands	1999
MSDW Offshore Equity Services (Korea) Inc.	Delaware	1999

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
MSDW Structured Asset Corp.	Delaware	1998
MSDW Synfuels II, Inc.	Delaware	1998
MSDW Synfuels III, Inc.	Delaware	1998
MSDW Venture Partners IV, Inc.	Delaware	1999
MSDW VP IV Holdings, Inc.	Delaware	1999
MSIT Holdings, Inc.	Delaware	1996
SL Partners MD Side Fund, LLC	Delaware	1999
MSREF II, Inc.	Delaware	1994
MSREF II, L.L.C.	Delaware	1995
MSREF III, Inc.	Delaware	1997
MSUH Holdings I, Inc.	Delaware	1996
MSUH Holdings II, Inc.	Delaware	1996
MS SP Urban Horizons, Inc.	Delaware	1996
MS Urban Horizons, Inc.	Delaware	1994
NOVUS Credit Services Inc.	Delaware	1960
Bank of New Castle	Delaware	1988
Discover Brokerage Direct, Inc.	Delaware	1999
Discover Card Limited	Gibraltar	1992
Discover Financial Services, Inc.	Delaware	1985
Discover Services Corporation	Delaware	1990
Greenwood Trust Company	Delaware	1911
GTC Insurance Agency, Inc.	Delaware	1999
GTC Insurance Agency, Inc. of Alabama	Alabama	1999
Morgan Stanley Dean Witter Bank, Inc.	Utah	1990
MWF Insurance Agency, Inc.	Delaware	1999
MWF Insurance Agency, Inc. of Alabama	Alabama	1999
Mountain Receivables Corp.	Delaware	1996
NCL Investments, Inc.	Delaware	1997
Morgan Stanley Dean Witter Credit Corporation of Pennsylvania	Pennsylvania	1967
Morgan Stanley Dean Witter Credit Corporation	Delaware	1969
Morgan Stanley Dean Witter Credit Corporation of Iowa	Iowa	1977
Morgan Stanley Dean Witter Credit Corporation of Minnesota	Minnesota	1994
Morgan Stanley Dean Witter Credit Corporation of Tennessee	Tennessee	1975
NOVUS Financial Corporation of Washington	Washington	1991
NOVUS Receivables Financing Inc.	Delaware	1999
Discover Financial Services (Canada), Inc.	Canada	1985
SCFC Receivables Corp.	Delaware	1989
Discover Receivables Financing Corporation	Delaware	1989
Discover Receivables Financing Group, Inc.	Delaware	1990
SCFC Receivables Financing Corporation	Delaware	1988
SPS Transaction Services, Inc.	Delaware	1991
Utah Receivables Financing Corporation	Delaware	1997
One Water Corporation	Massachusetts	1985
Open Road Airways, Inc.	Delaware	1998
PG Holdings, Inc.	Delaware	1991
PG Holdings III, Inc.	Delaware	2000
PG Investors, Inc.	Delaware	1991
PG Investors II, Inc.	Delaware	1996
PG Investors III, Inc.	Delaware	2000
Pierpont Power, Inc.	New York	1987
Providence DE Funding Co.	Delaware	2000
Providence DE Holdings Co.	Delaware	2000

	<u>Jurisdiction of Incorporation</u>	<u>Year of Inc./ Form.</u>
<i>(Providence DE Holdings Co., continued)</i>		
Providence Cayman Holdings Limited	Cayman Islands	2000
Reynolds Securities Inc.	Delaware	1978
Romley Computer Leasing Inc.	Delaware	1985
Strategic Investments I, Inc.	Delaware	1996
Tempo-GP, Inc.	Delaware	1986
Tempo-LP, Inc.	Delaware	1986
Zephyr (Cayman) Limited	Cayman Islands	1999

¹ Morgan Stanley Dean Witter & Co. was incorporated in Delaware in 1981.

² "*" indicates that one or more minority shareholders are non-affiliates.

City of San Antonio Discretionary Contracts Disclosure

For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient

Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
There are no contributions to report.		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

Please see next page.		
Signature: Please see next page.	Title: Company: Please see next page.	Date: Please see next page.

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

Discretionary Contracts Disclosure

Disclosures in Proposals (Continued)

Morgan Stanley Dean Witter did not receive section I of Part B (referenced on the previous page). However, if the inquiry involves a conflict of interest issue, we have the following to report: To the best of our knowledge, information and belief, we are not currently aware of any relationship between the Firm and the City of San Antonio which we would view as creating any actual or potential conflict of interest if the Firm is selected to perform the underwriting services related to the City of San Antonio. If this response does not fully address the inquiry, Morgan Stanley Dean Witter would be happy to review Section I of Part B (referenced on the previous page) and, upon receipt, provide more information as needed.

CITY OF SAN ANTONIO
City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

(1) Please see next page for more information.

Litigation Disclosure (Continued)

- 3) As a public company, Morgan Stanley Dean Witter & Co. (together with its subsidiaries, "MSDW"), the parent company of Morgan Stanley & Co. Incorporated, files periodic reports with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934 which include current descriptions of all material litigation and material administrative proceedings and investigations, if any, by federal or state regulatory agencies concerning MSDW. As stated in these reports, MSDW believes that the outcome of such litigation, inquiries or proceedings will not have a material adverse effect on its consolidated financial condition. To the best of our knowledge, information and belief, we have not been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last three years which could reasonably be expected to have a material adverse effect on the Firm's ability to perform services of the nature envisioned by the Request for Proposal. We have attached as Appendix D copies of the "Legal Proceedings" section of the Firm's SEC 10K filings for the past three fiscal years. As Dean Witter and Morgan Stanley only recently merged in 1997, we are only able to provide litigation information regarding the merged entity for the last three years. Please contact us if you require additional information.

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract

- (1) the identity of any individual who would be a party to the discretionary contract

NONE

- (2) the identity of any business entity that would be a party to the discretionary contract

NONE

and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract

NONE

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract:

NONE

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NONE

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1 & 2
Attach additional sheets if space provided is not sufficient*

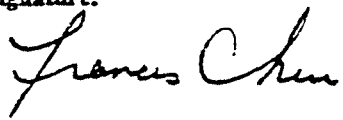
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
NONE		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

NOTHING TO DISCLOSE.		
Signature: 	Title: MANAGING DIRECTOR Company: SALOMON SMITH BARNEY	Date: 8/25/00

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

CITY OF SAN ANTONIO
City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

PLEASE REFER TO QUESTION 10 IN THE RFP FOR OUR RESPONSE.

Attachment IV (Litigation Disclosure)

With regard to Salomon Smith Barney's business as an underwriter of municipal bonds, the Firm has been a party to the following litigations as a defendant within the past ten 10 years:

In August 2000, the treasurer of San Bernardino County (CA) initiated a lawsuit against Salomon Smith Barney, one of its retail financial consultants, certain former County officials and certain third parties. The suit is one of a series filed by the treasurer against the former County officials, each of whom have since pled guilty to taking or paying bribes, and the firms with which the County did business during their terms of office. While the suit principally alleges that the officials made certain inappropriate investments in exchange for gifts and entertainment received from Salomon Smith Barney's financial consultant, it also alleges that Salomon Smith Barney was awarded certain bond underwriting business because of the financial consultant's relationship with the officials. In each case the County alleged that it paid fees higher than it otherwise should have paid. The firm believes the suit to be generally without merit and shall defend itself accordingly. The allegations related to bond underwriting are particularly hard to understand given that Salomon Smith Barney was not even the lead underwriter on many of the cited transactions and thus did not negotiate — and received only a small percentage of — the compensation paid by the County on those financings.

Salomon Smith Barney is one of many defendants in a purported class action brought in November 1998 by Collier County (FL) alleging yield-burning on the part of firms that provided escrow securities in connection with advance refunding transactions. The firm believes there is no merit to any allegation as it relates to Salomon Smith Barney and that this action eventually will be dismissed.

In June 1998, the City of New Orleans filed an action in federal court against Smith Barney and another firm seeking a declaratory judgment that the defendants and not the City should be responsible in the event the Internal Revenue Service were to conclude that a 1991 refunding bond issue should be declared taxable. Smith Barney sold to the City the securities it placed in its defeasance escrow but did not act as either financial advisor or underwriter in connection with the refunding transaction. The City voluntarily dismissed the suit in March 2000 after learning that the IRS would take no action against it or the bonds.

This firm, along with virtually every other firm which underwrote securities for participants in the Orange County Investment Pool was a defendant in a class action lawsuit brought by bondholders who had purchased debt securities issued by participants in the Orange County Investment Pool in 1992-94. The plaintiff bondholders alleged that all of the firms that underwrote securities for Orange County or Pool participants during a specified time period failed to disclose material information about the Orange County Investment Pool's investment practices. A settlement was reached on December 10, 1996, by plaintiffs and defendants (including Salomon Smith Barney) in this litigation pursuant to which the firm paid eight hundred and fifty thousand dollars (\$850,000). The matter is now concluded as to Salomon Smith Barney.

Smith Barney served as underwriter of certain bonds issued in 1985 by Brevard County, Florida to finance a retirement home facility. *Cymrot v. Smith Barney, Harris Upham & Co., Inc.* is a

purported class action arising out of the subsequent default of those bonds. Judge Nesbitt of the United States District Court for the Southern District of Florida issued an order on March 31, 1997 entering judgment in favor of Smith Barney and the other defendants on the grounds that the official statement, which plaintiffs claimed was misleading or omitted material information, adequately disclosed the risks of the investment. In May 1999, The Eleventh Circuit affirmed the lower court's granting of summary judgment.

Information concerning other litigation, unrelated to public finance, is available upon request.

Compliance with all Applicable Laws and Regulations

Salomon Smith Barney agrees that while in the performance of duties, obligations and covenants under contract with the City, the Firm will comply with all applicable federal, state and local laws, rules and regulations.

Venue and Applicable Law

Salomon Smith Barney understands and agrees that, if selected, any legal proceeding or action brought directly or indirectly as a result of, or in connection with the Underwriter Services Contract must be heard and determined in the City of San Antonio, Bexar County, Texas, and is governed by the laws of the State of Texas.

If we may assist you further, please advise.

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

Not applicable

- (2) the identity of any business entity that would be a party to the discretionary contract:

Dain Rauscher Incorporated and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract;

Not applicable

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

Not applicable

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not applicable

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made: None	Amount: 	Date of Contribution:
----------------------------------	------------------------	--------------------------------------

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

None		
Signature: 	Title: Managing Director Company: Dain Rauscher Incorporated	Date: August 28, 2000

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

CITY OF SAN ANTONIO

City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

☒ NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

☒ NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

☒ YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

LITIGATION W/N PAST 5 YEARS

Dain Rauscher and its predecessor firms, Dain Bosworth ("DBI") and Rauscher Pierce ("RPR"), have been defendants in various litigations and arbitrations that arise in the ordinary course of conducting a full-service brokerage and investment banking business. We do not believe that any of the current matters will be material to Dain Rauscher.

The following are the current litigations disclosed in the public filings of Dain Rauscher Corporation ("DRC," parent of Dain Rauscher), plus others over the past five years involving public finance:

Current

(i) Dain Rauscher and DRC are defendants in an action brought by the liquidator of the estate of The Midwest Life Insurance Company in federal court in Louisiana. The liquidator alleges that reinsurance agreements entered into between Midwest Life and Central National Life Insurance Company (a co-defendant in the case) during the period of DRC ownership resulted in false financial statements, creating liability for the insolvency under the Racketeer Influenced and Corrupt Organizations Act (RICO). All defendants deny liability. The case against Dain Rauscher and DRC is on hold pending arbitration of the claim against Central National.

(ii) The SEC filed an action in federal court against Dain Rauscher and two former RPR bankers relating to RPR's role as underwriter or financial advisor in certain one-year note issues by school districts and cities within Orange County, the proceeds of which were deposited in the Orange County Investment Pool in 1994. The SEC contends that the official statements in those transactions should have disclosed certain risks associated with the Pool. In August 1999, the claims against the RPR banker principally responsible for the transactions were dismissed before trial on the ground that he did not violate the securities laws. The SEC has appealed. The Securities Industry Association and The Bond Market Association have filed a brief in support of the RPR banker.

(iii) In a 1999 arbitration, John G. Kinnard & Co., Inc. alleged that DRI "raided" its sales force by hiring a number of IEs over an 18-month span. Kinnard received an award of \$16.6 million. The award was confirmed by the state district court in August 2000. DRI settled the case for \$13.3 million.

(iv) In June 2000, Howard Gary & Company brought an action against Miami-Dade County, Florida and Dain Rauscher, alleging that Howard Gary was terminated and/or excluded in 1996 as an underwriter on County transactions, at the recommendation of Dain Rauscher as financial advisor, in violation of Howard Gary's civil rights.

Past

(v) The SEC filed an action in federal court against RPR and a former employee relating to a 1992 refunding transaction by the State of Arizona. RPR, which served as

financial advisor, purchased government securities and sold them to the escrow established to refund the original bonds. The SEC disputed RPR's markup of the securities, which was one-half of one percent of their cost to RPR. The SEC also contended that the amount of the mark should have been disclosed to the State in advance. On April 6, 2000, Dain Rauscher and the SEC settled this matter for \$750,000 (which included approximately half the markup, plus interest from June 1992, plus a \$100,000 penalty). As part of the settlement, Dain Rauscher agreed that it neither admits nor denies the SEC's allegations.

As part of the settlement of the Arizona matter, Dain Rauscher joined with 16 other firms in settling all "yield-burning" allegations that were made or could have been made by the IRS, SEC and U.S. Justice Department. Dain Rauscher's total payment, including the Arizona matter, was \$13 million, covering 419 advance refundings from 1990 through 1994. The total paid by the industry to date has been approximately \$170 million. Dain Rauscher neither admitted nor denied the allegations.

(vi) In 1993, former policyholders of The Midwest Life Insurance Company ("MWL") brought an action against DBI and DRC in Colorado federal court for losses suffered upon the insolvency MWL in 1991. In 1995, state life and health insurance guaranty associations that paid policyholder losses in their states brought actions against Dain Rauscher and DRC in 9 state courts, and the Colorado guaranty association became the principal party in interest in the Colorado case.

MWL was an annuity company owned by DRC from 1980 through March 1986. The 10 actions alleged that Dain Rauscher and DRC were liable for damages relating to the insolvency, primarily on the theory that DBI knew that Midwest Life was deteriorating but failed to warn policyholders - notwithstanding that the insolvency was the result of massive looting by the final owners in 1990-91, about which DBI and DRC knew nothing. The plaintiffs sought approximately \$64 million, plus prejudgment interest, attorney's fees, punitive damages, damages for emotional distress and other relief.

In November 1998, without admitting any wrongdoing, Dain Rauscher and DRC settled the actions pending in 8 states for an aggregate amount of approximately \$23 million. In April 1999, Dain Rauscher and DRC settled the action brought by the Nebraska guaranty association for \$500,000. In May 1999, Dain Rauscher and DRC settled the Colorado action for approximately \$20.5 million.

(vii) Orange County, California sued RPR and many other parties for damages relating to the Orange County bankruptcy. The County claimed RPR was its financial advisor in five Orange County note issues in the summer of 1994, although RPR's only role in these transactions was that of pricing consultant, which entailed merely confirming that the underwriter's spread and proposed interest rate were appropriate in light of industry standards and market conditions. In addition, the County litigation representative brought claims assigned by 23 school districts, which alleged breach of fiduciary and professional duties by RPR as underwriter or financial advisor to districts that placed

funds in the Orange County Investment Pool. In December 1998, without admitting any wrongdoing, Dain Rauscher settled all of these claims for \$10 million.

(viii) The Newport-Mesa Unified School District sued RPR for \$5 million in damages. RPR underwrote 1-year taxable note issues for the District in 6/94, the proceeds of which were deposited in the Orange County Investment Pool. The District received 90% of the proceeds back in the County bankruptcy and sought the remaining 10% from RPR, on the ground that RPR should have warned the District of the risks in the Pool. In August 1999, DRI settled the case, without admitting any wrongdoing, for \$675,000.

(ix) In 1995, RPR was one of several defendants in a class action brought on behalf of purchasers of bonds issued by Orange County, California and entities within Orange County. RPR settled the matter in late 1995 for \$485,000.

(x) In 1995, DBI was one of several defendants in a class action brought on behalf of purchasers of bonds issued by the City and County of Denver for the Denver International Airport. All defendants settled the matter in 1997. DBI contributed \$225,000 to the settlement.

(xi) The SEC brought an administrative proceeding against a former RPR employee, but not RPR, relating to a \$10 million special tax bond issue by the County of Nevada, California in 1991, on which RPR was financial advisor. The SEC sought a cease-and-desist order. The proceeding ended in 1999 with findings against the employee, but no cease-and-desist order was issued.

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1 & 2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract

- (1) the identity of any individual who would be a party to the discretionary contract;

None

- (2) the identity of any business entity that would be a party to the discretionary contract:

Siebert Brandford Shank & Co. would be the only _____ and the name of:
contracting party.

- (A) any individual or business entity that would be a subcontractor on the discretionary contract;

None

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

None

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

None

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

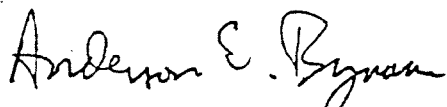
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

Signature: 	Title: First Vice President Company: Siebert Brandford Shank & Co., LLC	Date: 08/23/00

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

CITY OF SAN ANTONIO
City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

☒ NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

☒ NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

☒ NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

City of San Antonio
Discretionary Contracts Disclosure

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Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

N/A

(2) the identity of any business entity that would be a party to the discretionary contract:

A.G. Edwards & Sons, Inc. and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract;

A.G. Edwards has no subcontracting relationships with respect to the proposed contract with the exception of ordinary relationships involving other registered securities firms which may act or seek to act, from time to time, as underwriter or financial advisor to the State, which relationships are always known to the issuer on a transaction-by-transaction basis.

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

A.G. Edwards & Sons, Inc. is a wholly owned subsidiary of A.G. Edwards, Inc.

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

N/A

City of San Antonio Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1 & 2
Attach additional sheets if space provided is not sufficient*

Political Contributions

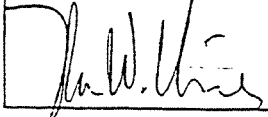
Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
<p>A.G. Edwards has implemented firmwide policies and procedures to ensure compliance with Rule G-37 of the Municipal Securities Rulemaking Board, as well as other applicable laws and rules governing political contributions. These procedures include, in part, the requirement that certain restricted employees obtain approval before making political contributions to any state or local candidate or official. In addition, such restricted employees must sign quarterly certifications which identify specific contributions that were given during the reporting quarter.</p> <p>Based on the information available to the firm which was obtained through the procedures described above, to the best of our knowledge and belief, no direct or indirect political contributions have been made by the firm's restricted employees to any member of the City Council. It should be noted that the employees who are subject to the policy include, among others, all registered financial consultants, as well as employees of the Firm's Public Finance department and persons whose activities relate to the firm's municipal securities business. However, the policy does not apply to all persons who may be officers of the firm, nor to all of the firm's owners (A.G. Edwards is a publicly traded company and it is neither practicable nor possible to require public shareholders - who are "owners" of the firm - to comply with the firm's internal procedures). To the best of our knowledge and belief, A.G. Edwards has not engaged the services of any lobbyist with respect to the Firm's business in Texas; and none of the Firm's employees are registered as lobbyists with the State of Texas.</p>		

Disclosure in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to a discretionary contract.

To the best of our knowledge and belief, we are aware of no relationship which would result in any improper economic benefit as described in Section 1 of Part B of the San Antonio Ethics Code in connection with the activity contemplated by this proposal. As a major securities firm with over 17,000 employees and over 670 offices in 49 states, it is not feasible for A.G. Edwards to perform a firm-wide sweep that would enable us to make a categorical representation that there are no relationships in which there might be a potential conflict of interest involving the persons and entities involved with this proposed transaction. However, it should be noted that A.G. Edwards is currently engaged in, and has in the past engaged in, routine brokerage and other securities transactions with the City of San Antonio and related entities.

Signature: 	Title: <i>Managing Director</i> Company: <i>A.G. Edwards</i>	Date: <i>Aug. 28, 2000</i>
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¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

**City of San Antonio
City Attorney's Office**

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

Yes

☒ No*

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

☒ Yes**

No

3. Have you or any member of your firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

☒ Yes***

No

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

* To the best of our knowledge and belief, no A.G. Edwards employees assigned to the proposed financing have been indicted or convicted of a felony or misdemeanor greater than a Class C during the last five (5) years.

** From time to time during the past ten years, A.G. Edwards has been engaged in financings that, for various reasons during the normal course of business have been terminated. A.G. Edwards does not believe that any such terminations present concerns of any material nature to the City with respect to considering A.G. Edwards for the financing activity being proposed.

*** - Regarding Question 3 above: A.G. Edwards & Sons, Inc. is a major underwriter of Public Finance and Corporate securities. In addition, the Firm has an extensive full-service securities business with over 17,000 employees and over 680 offices in 49 states. During the normal course of business over the past three years, A.G. Edwards or its employees are or have been subject to informal inquiries, investigations, disciplinary actions and litigation (collectively referred to as "actions") involving a variety of federal and state governmental entities, regulatory bodies and clients. While some of these actions relate to or have related to the Firm's municipal securities business, management believes that neither any of the actions

considered individually, nor all such actions considered together, have had or will have a material adverse affect on the financial condition or operations of the firm, including the ability of A.G. Edwards to fulfill any obligations under this proposal.

Should the City of San Antonio desire additional information, all material legal proceedings are required to be reported by the firm in its periodic corporate filings with the Securities and Exchange Commission, which filings are a matter of public record; and the National Association of Securities Dealers sponsors a public disclosure program by which members of the public may request information about arbitrations and enforcement actions affecting the firm.

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

NONE

- (2) the identity of any business entity that would be a party to the discretionary contract _____ and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract;

NONE

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

SOUTHWEST SECURITIES GROUP, INC.

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NONE

City of San Antonio Discretionary Contracts Disclosure

For use of this form, see City of San Antonio Ethics Code, Part D, Section 1 & 2
Attach additional sheets if space provided is not sufficient


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
NONE		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

NONE		
Signature: 	Title: <i>VICE PRESIDENT</i> Company: <i>SOUTHWEST SECURITIES</i>	Date: <i>August 28, 2000</i>

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

CITY OF SAN ANTONIO

City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any individual who would be a party to the discretionary contract;

Robert G. Rodriguez, President & CEO

- (2) the identity of any business entity that would be a party to the discretionary contract:
Southwestern Capital Markets, Inc. and the name of:

- (A) any individual or business entity that would be a subcontractor on the discretionary contract;

None.

- (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

None.

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

None.

City of San Antonio Discretionary Contracts Disclosure

*For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2
Attach additional sheets if space provided is not sufficient*

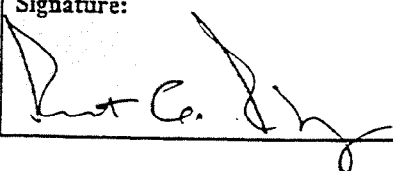
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
None. MSRB Rule G-37 prohibits any dealer from engaging in municipal securities business with an issuer within 2 yrs after any contribution to an official of such issuer.		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

Signature: 	Title: President & CEO Company: Southwestern Capital Markets, Inc.	Date: August 18, 2000

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

CITY OF SAN ANTONIO

City Attorney's Office

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm been involved in any litigation with or filed a claim against the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "YES" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.